§ 2700.205

or for such longer period as HUD determines would further the purpose of the Emergency Homeowners' Loan Program.

§ 2700.205 Emergency assistance amount.

- (a) Emergency assistance to an eligible homeowner may be made available in an amount up to the amount of the principal, interest, taxes, ground rents, hazard insurance, and mortgage insurance premiums due under the homeowner's mortgage and such other costs as may be specified by HUD. The amount of emergency assistance provided to the homeowner shall be an amount that is determined by HUD to be reasonably necessary to supplement such amount as the homeowner is capable of contributing toward the homeowner's delinquent first mortgage payments, except that the aggregate amount of emergency relief provided to any homeowner shall not exceed \$50,000, including any fees allowed under §§ 2700.310(a) and 2700.415(a).
- (b) Arrearage payments and monthly assistance payments may be made either with the proceeds of an insured emergency mortgage relief loan or advance of credit or with emergency mortgage relief payments for up to full term of the monthly payments, as defined in § 2700.5.
- (c) Unless otherwise authorized by HUD, the lender or servicer shall not approve an emergency mortgage loan or advance of credit when the outstanding balance, including delinquent interest, of the delinquent mortgage when added to the other liens against the mortgaged property, plus the maximum emergency mortgage relief loan that may be advanced to the homeowner under this part, exceeds the value of the mortgaged property. (In determining the value of the property, the lender or servicer may rely upon previously obtained appraisals or other determinations of value of the property and need not obtain a current appraisal.)

§ 2700.210 Finance charges.

The maximum permissible finance charge, exclusive of fees and charges as provided in §§2700.310, and 2700.415, which may directly or indirectly be

paid to or collected by the lender or the servicer in connection with an emergency mortgage relief loan or advance-of-credit transaction, shall not exceed simple interest on the outstanding principal balance at the annual interest rate for FHA-insured home mortgages at such time the emergency mortgage relief loan or advance of credit is originated. Additionally, no points or discounts of any kind may be assessed or collected in connection with an emergency mortgage relief loan or advance-of-credit transaction.

Subpart D-Mortgage Insurance

§2700.301 Loan applications.

- (a) Lending institutions approved by HUD for participation in the Emergency Homeowners' Loan Program are authorized to accept, process, and approve applications for emergency mortgage relief loans or advances of credit under this part under such terms and conditions as HUD may prescribe.
- (b) An approved lender may make an emergency mortgage relief loan or advances of credit on the terms specified in this part if the lender is satisfied that the application meets all of the relevant requirements of this part. The lender shall prepare a note, loan agreement, if any, and mortgage as required by HUD, which the lender shall record against the property securing the delinquent mortgage upon the execution of those documents.
- (c) Except as may be otherwise specified by HUD, on the last working day of the month during which an emergency mortgage relief loan or advance of credit is closed, the lender shall submit to HUD an application for an insured emergency mortgage relief loan or advance of credit on such form as prescribed by HUD, signed by the mortgage and holder of the mortgage and that certifies that:
- (1) The lender, homeowner, and property meet the eligibility requirements of this part;
- (2) Circumstances (such as the volume of delinquent loans in the investor's portfolio likely to remain uncured) make it probable that there